

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL****No. 1220****Introduced by Assembly Member Harper**

February 27, 2015

An act to add Section 7282.1 to the Revenue and Taxation Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1220, as introduced, Harper. Transient occupancy taxes: residential short-term rentals units.

Existing law authorizes the legislative body of a city or county to levy a tax on the privilege of occupying a room or other living space in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for a period of more than 30 days, as provided. The California Constitution also provides that a charter city may levy local taxes to raise revenues for local purposes, subject to restrictions imposed by that city's charter or preemption in matters of statewide concern.

This bill would prohibit a legislative body of a local agency, defined to mean any city, county, city and county, including any chartered city, county, or city and county, from levying a tax on the privilege of occupying a residential short-term rental unit, as defined.

This bill would make legislative findings and declarations regarding the statewide concern of excluding the occupancy of a residential short-term rental unit from local transient occupancy taxes to ensure statewide uniformity and fairness in how those taxes are applied.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares that ordinary  
2 people who want to earn additional income through home-sharing  
3 arrangements should not be burdened with the collection of, and  
4 compliance with, local transient occupancy taxes. Excluding the  
5 occupancy of a residential short-term rental unit from local  
6 transient occupancy taxes will ensure statewide uniformity and  
7 fairness in how those taxes are applied, and therefore is a matter  
8 of statewide concern, not a municipal affair, as that term is used  
9 in Section 5 of Article XI of the California Constitution.

10 SEC. 2. Section 7282.1 is added to the Revenue and Taxation  
11 Code, to read:

12 7282.1. (a) Notwithstanding any other law, no legislative body  
13 of a local agency may levy a tax on the privilege of occupying a  
14 residential short-term rental unit.

15 (b) For purposes of this section:

16 (1) "Local agency" means any city, county, city and county,  
17 including any chartered city, county, or city and county.

18 (2) "Residential short-term rental unit" means a residential  
19 dwelling unit, including single-family residence, apartment,  
20 residential condominium unit, or other residential real estate  
21 improvement, in which members of the public, for consideration,  
22 obtain sleeping accommodations for less than 90 days.